AMENDMENTS TO THE DRAWINGS:

The replacement sheets in the Appendix include changes to Figures 10 and 11. In Figures 10 and 11, the previously omitted designation "Prior Art" has been added and in Figure 11, the element number "202" at the middle of the page has been changed to "211" and the term "ON HOOK" has been corrected to "OFF HOOK".

REMARKS

The Information Disclosure Statements filed on May 15, 2003 and September 25, 2003 complied with applicable IDS submission requirements because they included an English translation of the portion of the Japanese Office Action believed to be pertinent. This concise explanation of the relevance of the documents meets the requirements of MPEP \$609 ¶IIIA (3). Accordingly, consideration of the documents in these IDSs is respectfully requested.

The specification and drawings have been amended to make editorial changes therein, bearing in mind the criticisms in the Official Action, to place the application in condition for allowance at the time of the next Official Action.

Claims 1-12 were rejected as unpatentable over FRANKEL et al. 6,075,784. The previously pending claims have been replaced with new claims and reconsideration and withdrawal of the rejection are respectfully requested.

FRANKEL et al. disclose a system (Figure 1) that includes a host digital terminal (HDT) 200 at a central office and remote digital terminal (RDT) 100 at a customer site. The RDT 100 at the customer site may be connected to a PBX and a LAN and to plural telephones. However, there is no suggestion to use the RDT 100 and a second RDT (or the HDT) to connect at least one of the telephones to the PBX and LAN so as to be able to transfer calls among the telephones connected to the PBX.

For example, FRANKEL et al. do not disclose specific connections of the first and second telephones to the PBX where the first telephone transfers a connection to the second telephone, and where the first telephone is connected to the PBX through a packet carrying local area network. Among other features, the reference does not disclose a signal classification section in the first adaptor that identifies a signal class of a packet from the first telephone transferring a connection to the second telephone and received at the second interface of the first adaptor via the LAN and prepares a corresponding signal for transmission to the second telephone via the first interface of the adaptor and the PBX, or a signal class detector in the second adaptor that detects a signal class of a signal from the first telephone transferring a connection to the second telephone and received at the first interface of the second adaptor, whereby a connection at the first telephone is transferred to the second telephone.

The method of claim 14 includes corresponding steps and is allowable for the same reasons.

In view of the present amendment and the foregoing remarks, it is believed that the present application has been placed in condition for allowance. Reconsideration and allowance are respectfully requested.

The Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any

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overpayment to Deposit Account No. 25-0120 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17.

Respectfully submitted,

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TWP/lk

APPENDIX:

The Appendix includes the following item:

- Replacement Sheets for Figures 10 and 11 of the drawings